

ASSEMBLY BILL

No. 1507

Introduced by Assembly Member Mendoza

January 12, 2012

An act to amend Section 2807 of the Penal Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1507, as introduced, Mendoza. Public contracts: Prison Industry Authority.

Existing law establishes the Prison Industry Authority within the Department of Corrections and Rehabilitation. Existing law provides that the authority is authorized and empowered to operate industrial, agricultural, and service enterprises in order to provide products and services needed by the state. Existing law requires that state agencies purchase Prison Industry Authority products, make maximum utilization of these products, and consult with the staff of the authority to develop new products and adapt existing products to meet their needs.

This bill would provide that these requirements shall not restrict state agencies from entering into contracts or purchase orders of \$25,000 or less with California certified small businesses, microbusinesses, or disabled veteran business enterprises for products provided at a lower price than the price available from the Prison Industry Authority.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 2807 of the Penal Code is amended to read:

2807. (a) The authority is hereby authorized and empowered to operate industrial, agricultural, and service enterprises ~~which~~ *that* will provide products and services needed by the state, or any political subdivision thereof, or by the federal government, or any department, agency, or corporation thereof, or for any other public use. Products may be purchased by state agencies to be offered for sale to inmates of the department and to any other person under the care of the state who resides in state-operated institutional facilities. Fresh meat may be purchased by food service operations in state-owned facilities and sold for onsite consumption.

(b) All things authorized to be produced under subdivision (a) shall be purchased by the state, or any agency thereof, and may be purchased by any county, city, district, or political subdivision, or any agency thereof, or by any state agency to offer for sale to persons residing in state-operated institutions, at the prices fixed by the Prison Industry Authority. State agencies shall make maximum utilization of these products, and shall consult with the staff of the authority to develop new products and adapt existing products to meet their needs.

(c) All products and services provided by the authority may be offered for sale to a nonprofit organization, provided that all of the following conditions are met:

(1) The nonprofit organization is located in California and is exempt from taxation under Section 501(c)(3) of Title 26 of the United States Code.

(2) The nonprofit organization has entered into a memorandum of understanding with a local education agency. As used in this section, “local education agency” means a school district, county office of education, state special school, or charter school.

(3) The products and services are provided to public school students at no cost to the students or their families.

(d) Notwithstanding subdivision (b), the requirements imposed on state agencies to purchase Prison Industry Authority products, make maximum utilization of these products, and consult with the staff of the authority to develop new products and adapt existing products to meet their needs shall not restrict state agencies from

1 *entering into contracts or purchase orders of twenty-five thousand*
2 *dollars (\$25,000) or less with California certified small businesses,*
3 *microbusinesses, or disabled veteran business enterprises, as*
4 *defined in Section 14837 of the Government Code. This subdivision*
5 *shall only apply to contracts for products provided at a lower price*
6 *than the price available from the Prison Industry Authority.*

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